



**Chemonics International**

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**Madagascar Cyclone Recovery Program  
Rural Roads Infrastructure and Systems Rehabilitation  
ReCap Project**

**Third Quarterly Report**

July 1, 2001 to September 30, 2001

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This report is submitted before the end of the quarter at the request of USAID/Madagascar.

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### **List of Acronyms**

AUP	Association d'Usagers de Pistes (Road Users Association)
CO	Contracting Officer
COP	Chief of Party
EIA	Environmental Impact Assessment
ESF	Environmental Screening Form
FCE	East Coast Rail Line
FCER	FCE Rehabilitation Project
FAR	Federal Acquisition Regulations
FMG	Malagasy Francs
GOM	Government of Madagascar
IQC	Indefinite Quality Contract
LDI	Landscape Development Interventions
MOE	Ministry of Environment
MTP	Ministere des Travaux Publiques
ONE	Office Nationale de l'Environnement
PIL	Project Implementation Letter
RAISE	Rural and Agricultural Income with a Sustainable Environment
RFB	Request for Bids
RFP	Request for Proposals
RIP	Route d'Intérêt Provincial (Road of Provincial Interest)
RNT	Route Nationale Temporaire (Temporary National Road)
SG	Secretary General
TVA	Value Added Tax
USAID	United States Agency for International Development
USG	United States Government

## **1. Executive Summary**

The project's two largest subcontracts were signed this quarter for the rehabilitation of the RNT 14, a ninety-three kilometer road that was specifically identified in the task order. The work was divided into two sections: the first, from Ifanadiana (PK 0) to Tolongoina (PK 41) was granted to a local construction firm, EBMA. The second with the firm EGECORAM covers the section from Tolongoina (PK 46) to Ikongo (PK 93). As of the first week of September, EBMA has completed the topographical studies and has started clearing the road up to PK 6. EGECORAM, for their part, has started to prepare the material and has started mobilizing their equipment. The work on the RNT 14 should be completed before the onset of the rainy season in January 2002.

A Request for Bids (RFB) was launched in mid-August for the rehabilitation of the Provincial Road 1103P from the RN 12 to Sahasinaka and Provincial Road 1104P from Sahasinaka to Bekatra. The work will be divided into three sections with a total length of 56 kilometers. The bids are currently being analyzed and the three proposed subcontracts will be submitted to USAID for approval by the middle of September. It is our objective to sign these subcontracts and commence work before the end of this quarter and to also complete the work before the onset of the heavy rains.

Eight Road Users Associations (AUPs) were created in the seven communes along the RNT 14. The officers were elected, statutes were approved by the membership, and the required documents were submitted to the provincial authorities awaiting legal authorization. Five additional AUPs will be created next quarter along the Sahasinaka road.

Intensive negotiations were undertaken this quarter with the central government on a number of issues required before the start of the work. These include a convention granting the ReCap project the status of Maitre D'Ouvre Délégué on the RNT 14; the issuance of an environmental permit and the payment of the Value Added Tax (TVA) for the construction work by the Ministry of Environment. The assistance of the USAID mission was crucial in the advancement of all three issues.

Consultations were initiated with the local authorities in Tamatave province and our partners in order to identify the remaining tertiary roads to be rehabilitated next year.

The Home Office Senior Manager was in country this quarter providing support to the project.

## 2. Report on Results

Eight AUPs will have been created by the end of the quarter along the RNT 14. The objectives and the results obtained to date are shown below:

**Table 1 : ReCap Results Tracking Table**

Results	Target	Completed to Date	Percent Completed
RIP 4 rehabilitated	93 km.	0	0
Road User Associations created along the Rip 4	20	8	40
Tertiary Roads Rehabilitated	140 km.	0	0
Road User Associations Created along the Tertiary Roads	30	0	0
Makara Port Warehouse Roof Repaired and Wharf Stabilized	2	0	0

## 3. Procurement Plan

All equipment and furniture will have been purchased and delivered as of the end of the quarter.

## 4. Progress Against Milestones

The milestone in our implementation Plan was to do only 45 km. along the RNT 14 this year, in part because of the structural problems with the two bridges around that point. However, we decided to reallocate some resources and do an additional 47 km., leaving just the area around the structurally unsound bridges to be completed next year. By then, the GOM should have repaired the bridges. Therefore by, January 2002, 87 kilometers should be completed instead of the 45 previously projected. The near completion of work along the RNT 14 will allow the ReCap project to benefit from the 1-year guarantee period and will reduce the amount of work that would need to be completed during the last year of the project. The work to be completed next year will include the rehabilitation of the Port of Manakara and 84 km of tertiary roads.

There are no significant delays against milestones set forth in the Implementation Plan. The exceptions are the choice of Tertiary roads and the start of work at the Port of Manakara. The selection of the Tertiary Roads for Year 2 was delayed until December in order to fully consult with the local authorities and our partners before coming to a decision. A December decision will still allow us enough time to carry out the work next year. The work at the Port of Manakara will be launched early next year and will be further defined after the issuance of the Regional Transportation Study by the LDI project at the Donor Roundtable in October.

## 5. Activities during the Quarter

### a. *RNT 14/RIP 4*

Firms were pre-selected on the basis of various criteria, including standards for construction companies as stated in FAR 9.104. In order to analyze the capacity of the companies to complete work of this magnitude, they were asked to submit certain documents and complete a questionnaire. Of the 52 firms that submitted credentials for our consideration, 35 were eliminated because they did not meet these criteria in addition to those in FAR 9.104:

- Completed contracts with a value greater than 500 million FMG
- Having in their possession or having access to heavy equipment
- Having qualified and experienced personnel

Of the 17 firms retained from the pre-selection process, the 10 largest were permitted to submit bids on the RNT 14 work. These firms were identified as being the most qualified and having the best capacity to complete the work within the prescribed time frame. The remaining 7 were retained for the bidding on the tertiary roads.

On June 18<sup>th</sup>, the RFB was launched for both sections of the RIP 4/RNT 14 and firms were given until July 13 to submit bids.

A site-visit was organized on June 29 and 30 and 8 of the 10 firms attended. The two largest firms, COLAS and SOGEA, were not present at the site visit and did not submit proposals. Two other firms, ARR and Tahina, formed a consortium and submitted proposals for both sections of the RNT 14.

Bids were opened at a public session at the ReCap office on July 13. Five bids were received and accepted by the Selection Committee for Section 1 and Seven for Section 2. One firm (Dimby), however, had the least amount of heavy equipment compared to the other firms and consequently had the lowest technical score. Even though Dimby had the highest financial score, they ranked third overall for the first section of the RNT 14. Following an evaluation of the technical and financial proposals, EBMA had the highest evaluated score. Previous contracts completed by EBMA include three from the CAP project. They have also undertaken road rehabilitation work for the Ministries of Agriculture and Public Works.

For the second section of the road, EGEORAM had the highest evaluated score. EGEORAM was formed in 1987 and has completed 45 contracts totaling 26,933,607,407 FMG (\$4,143,631) since 1993 for government ministries, CAP and LDI, among others.

The proposed subcontracts with EBMA and EGEORAM for the rehabilitation of the RNT 14 were sent to USAID for approval on August 1 and were approved on August 10. That same day, the firms signed their respective subcontracts: EBMA for the rehabilitation of the first 41 kilometers from Ifanadiana to Tolongoina for 5,313,888,154 FMG and EGEORAM from PK 46 to 93 for 4,015,644,620 FMG.



**Figure 1:** RNT 14 Contract Signing

completed its geological study and submitted a report at the end of August. Their recommendation was to surface the whole road with gravel chips, however, due to budgetary restrictions, we will surface the road with gravel only in the most vulnerable areas.

EGECORAM has also started to collect material for their work but as of the first week of September, their heavy equipment has not yet been transported to the work site. The equipment will have to be first transported by road to Fianarantsoa, then by train on the FCE to Manapatrana or Tolongoïna. By the second week of September, the equipment should be on site and EGENCORAM will commence the heavy construction work.

The delay between the signature date of the subcontracts and the issuance of the Service Order authorizing the firms to commence work was due to two issues that had to be resolved before the start of work: the issuance of an environmental permit from the Ministry of Environment and the signature of a convention between the ReCap project and the Ministry of Public Works granting the project the authority to undertake the rehabilitation of this National Road.



**Figure 2:** Surfacing of RNT 14 at PK 3.600

The GOM passed decree 99-954 of December 15, 1999 requiring that public or private investment projects as defined in Annex 1 of the same decree prepare an Environmental Impact Assessment (EIA) and submit it to the MOE/ONE for analysis. Annex 3 also states that the promoter of the project must pay an evaluation fee that will cover the costs of evaluating the EIA. The amount varies from 0.1 to 0.5 percent of the total value of the investment.

In the case of the ReCap project, an Environmental Screening Form (ESF), rather than an EIA was submitted. A full-blown EIA would take too long to complete given the short time frame of the project. The ONE issued a temporary Environmental Permit allowing us to start work on the RNT 14 on August 14, 2001 with the condition that negotiations

continue with the MOE and an agreement be reached between the parties defining the nature of the contribution, if any, that could be required for the analysis of the ESF. Discussions are on going with the MOE in collaboration with the Chemonics/FCER project.

The RNT 14, which until recently was considered an Inter-Provincial Road (RIP 4), comes under the authority of the National Department of Public Works. Following lengthy discussions with the Ministry, they required that USAID issue a letter informing them that the ReCap Project does in fact have the authority and mandate to undertake the work as part of a USAID contract. USAID/Madagascar then determined that a PIL (Project Implementation Letter) had to be signed with the GOM granting the ReCap project this authority. On September 5, the convention was signed and the Service Order was issued for EBMA to finally start work. The table below shows a timeline of the different steps required before work could be started on the RNT 14.

**Table 2:** Steps required before the start of work on the RNT 14

Action	Start Date	End Date
Pre-Qualification of Firms	May 28	June 11
Request for Bids	June 18	July 13
Analysis and Negotiation with the Subcontractor	July 16	July 31
USAID ESF	July 27	August 6
USAID Subcontract Approval	August 1	August 10
MOE/ONE ESF	May 14	August 14
Signature of PIL	August 20	August 31
Convention with the MTP	June 13	September 5
Issuance of Service Order	N/A	September 5

The Task Order requires that Chemonics create 20 road user associations (AUPs) along the RNT 14. In order to benefit from economies of scale and to avoid creating too many small, unsustainable associations, 8 AUPs have been formed. Previously it has also been the practice to create only one AUP per commune in order to not dilute communal financing of road maintenance. This structure was created during the CAP project and proved to be successful, in most cases, in insuring that the road benefits from continued maintenance and repair following an investment in road rehabilitation.

The Project has fielded a team of 7 socio-organizers who have been working with the local populations since April in forming the AUPs. They have assisted the associations in the drafting of internal regulations and statutes and have been monitoring their progress and activities.

The table below shows a summary of the AUPs that have been created on the RNT 14. All of these AUPs have held their General Assemblies during the months of July and August and as of the first week of September four of them have submitted their statutes to the Provincial Government for approval. The others will be submitting their documentation before the end of the quarter.



**Table 3:** AUPs along the RNT 14

Commune	Name of AUP	Date Created	Number of Members in Bureau	Section of RNT 14
Ifanadiana	Taratra	8/1/01	6	PK 0 - 10
Ifanadiana	Miara – Mandroso	8/16/01	6	PK 10 - 28
Ambohimisafy	Amoron'I Faraony	7/26/01	6	PK 28 - 41
Tolongoina	Fivoarana	8/17/01	5	PK 41 - 54
Manapatrana	Manapatrana Miray	8/23/01	19	PK 54 - 64
Maromiana	Zoto Soa Lalana	8/21/01	6	PK 64 - 71
Ambatofotsy	Vonona	8/17/01	11	PK 71 - 77
Ikongo	Tokin'Ikongo	8/20/01	6	PK 77 - 92



The next step for the AUPs will be to monitor the rehabilitation work and attend the regularly scheduled site meetings. In addition, they will be receiving training on road maintenance and environmental protection measures.

**Figure 3:** AUP members voting in Tolongoina

#### b. *Sahasinaka Road*

The RFB for the Sahasinaka rehabilitation work was launched on August 13 and the deadline for submissions was August 31. Nine firms submitted proposals for all three sections of work. Section One is from the RN 12 to the town of Sahasinaka (see map below). Section Two is from the town of Sahasinaka to PK 26.5 and the third section is from PK 26.5 to PK 44 at Bekatra. The proposals will be analyzed and a draft subcontract should be submitted to USAID for approval near the middle of September. Assuming that there are no delays in approving the subcontract and the ESF, the subcontract with the firms should be signed before the end of the quarter.



AUP training has already begun and 5 Road User Associations will be created along this road. The creation of the AUPs should be completed by the beginning of November.

**Figure 4:** Sahasinaka Road at PK 7.300

***c. Selection of Additional Tertiary Roads in Tamatave Province***

The remaining 84 kilometers of tertiary roads will be rehabilitated in 2002. Discussions are currently ongoing with the Provincial authorities, local development groups and project partners regarding the choice of roads. The bids will be launched in late February or March and work should begin during the month of April or May 2002.

***d. International Visitors***

The Chemonics Home Office Senior Manager arrived in Madagascar during the month of August and provided support to the project in a number of areas including team-building, coordination with other Chemonics Projects, subcontracting and assistance in getting the conventions with the Ministries of Public - Works and Environment moving forward.

**6. Activities for Next Quarter**

There is one key issue that we expect to address with the government during the coming quarter: funding for maintenance along the RNT 14. Normally, we would expect that a good portion of the maintenance would be funded by tolls. However, the status of this road as a temporary national road raises some policy questions, including the role of both tolls and the Fonds d'Entretien Routier. We are preparing an analysis of these two mechanisms to present to the government.

During the coming quarter, we will also be checking to see that the Ministry of Public Works begins repairs on the RNT 14 bridges in November as scheduled since this work is essential to the safety of travelers along the portion that we will be rehabilitating.

By the end of the fourth quarter most work should be completed along the RNT 14 and Sahasinaka. The President of Chemonics International, Tony Teele will be in Madagascar for one week at the end of September. Two international consultants will provide their expertise during the quarter; an Expatriate Road Engineer will be in Madagascar during the month of October and a Vetiver expert, Criss Juliard (the former COP of the CAP project), will arrive in mid-November.

## 7. Expenses

Note that the figures for August and September are estimates due to the fact that USAID required us to submit this quarterly report before the end of the quarter.

**Table 4:** Project Expenses by Line Item

Line Items	Budget	Previous Total	Jul-01	August 2001 (est.)	September 2001 (est.)	Total Expenses to Date (est.)
<b>Work days Ordered</b>	<b>893,080</b>	214,061	28,280	28,280	28,280	<b>298,901</b>
<b>Material</b>	<b>4,251,304</b>	328,217	13,731	18,443.29	182,728.66	<b>543,120</b>
<b>General and Administrative</b>	<b>205,416</b>	15,702	656	881.59	8,734.43	<b>25,974</b>
<b>Total</b>	<b>5,349,800</b>	557,980	42,667	47,605	219,743	<b>867,995</b>

The total value of subcontracts signed to date is 9,759,382,134 FMG or \$ 1,501,443 US at an exchange rate of 6500 FMG/\$1.

**Table 5:** Construction Subcontracts (as of September 10, 2001)

Date Signed	Firm	Title	Amount in FMG	Amount in US (6500 fmg /1)
June 19	LNBTP	Geo-Technical Study of the RNT 14	91,187,960	14,029
August 10	EBMA	Rehabilitation of the RNT 14 from PK 00 to PK 41	5,313,888,154	817,521
August 10	EGECORAM	Rehabilitation of the RNT 14 from PK 46 to PK 93	4,015,644,620	617,791
August 26	LNBTP	Geo-Technical Supervision of the RNT 14	338,661,400	52,102

**8. Estimated Amount of Work Completed on the RNT 14 to September 30, 2001**

<b>DESIGNATION</b>		<b>Quantité</b> <b>En %</b>	<b>Montant</b> ( en million de FMG)
SERIE N°1	INSTALLATION DE CHANTIER	50	174
SERIE N°2	TERRASSEMENT	25	216
SERIE N°3	ASSAINISSEMENT	15	168
SERIE N°4	CHAUSSEE	20	448
SERIE N°5	OUVRAGE D'ART	5	5
SERIE N°6	PROTECTION DIVERSE	2	12
SERIE N°7	EQUIPEMENTS	0	0
<b>TOTAL</b>			<b>1,023</b>

Lot n° 2 **Entreprise EGEORAM**

<b>DESIGNATION</b>		<b>Quantité</b> <b>En %</b>	<b>Montant</b> (en million de FMG)
SERIE N°1	INSTALLATION DE CHANTIER	40	120
SERIE N°2	TERRASSEMENT	15	75
SERIE N°3	ASSAINISSEMENT	10	127
SERIE N°4	CHAUSSEE	10	90
SERIE N°5	OUVRAGE D'ART	6	8
SERIE N°6	PROTECTION DIVERS	0	0
SERIE N°7	EQUIPEMENTS	0	0
<b>TOTAL</b>			<b>420</b>

## 9. Maps of Project Areas

Figure 5: Map of Sahasinaka Road

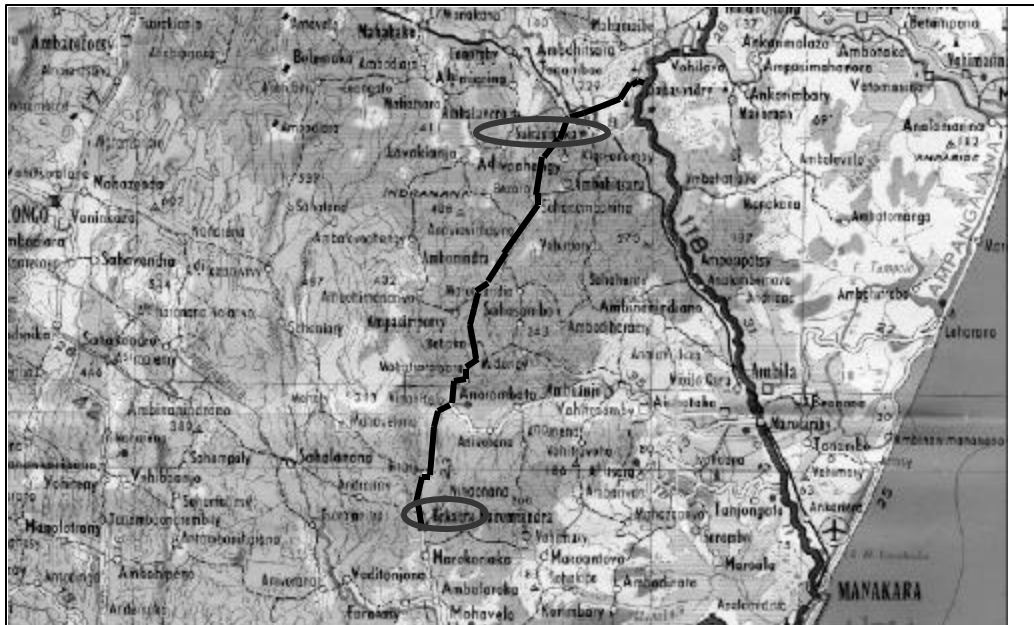


Figure 6: Map of RNT 14

